

Council on Postsecondary Education
May 20, 2002

Amendment to the 2002-04 List of Projects
Eligible for Agency Bond Authority

Action: The staff recommends that the council amend the 2002-04 list of eligible projects for agency bond authority to include the Eastern Kentucky University \$10.5 million high voltage electrical distribution system project. The staff also recommends that the council request that the Governor and the General Assembly provide at least a \$41.8 million agency bond pool authorization for 2002-04.

Eastern Kentucky University has requested authority to complete an emergency project that provides a long-term solution for its primary high voltage electrical distribution system. This project was not anticipated by the university and, therefore, was not included in its 2002-2008 six-year capital plan. The university requests that the council amend its 2002-04 list of eligible projects for agency bond authority to include the project. Completion of this project will ensure that critical services for students, faculty, and staff will continue without interruption.

In his 2002-04 budget bill for the extraordinary session, the Governor recommended \$31.3 million of agency bond authority for postsecondary education institutions and included a separate \$10.5 million agency bond authorization for the EKV high voltage electrical distribution system project. The Senate excluded the agency bond authority for this project in its committee substitute for House Bill 1.

Amending the list recognizes the critical nature of the project. The council's current list of eligible projects includes 48 projects, totaling \$285.04 million (\$264.1 million of agency bonds and \$12.5 million of institutional funds).

The council requested a \$100 million agency bond pool for 2002-04 in November. Because of the emergency nature of this project, the council should request that the Governor and the General Assembly increase the 2002-04 agency bond pool authority for postsecondary education. An agency bond pool authorization of at least \$41.8 million is needed to fund the Kentucky State University Young Hall renovation, the requested fire safety projects, and the EKV project.

The staff will forward the council action to the Office of the State Budget Director, the secretary of the Finance and Administration Cabinet, and the Capital Projects and Bond Oversight Committee.

Staff preparation by Sherron Jackson